

Norfund's Business Integrity Policy

Ambition

Norfund has a Zero-Tolerance approach to corruption, money laundering and economic crime. Guided by the OECD Convention Against Bribery and the UN Convention Against Corruption, Norfund is dedicated to promoting integrity, transparency, and accountability through its business dealings. Norfund requires high standards of business integrity from employees and business partners and communicates its no-tolerance approach to all stakeholders.

Risk Assessment

Problems related to business integrity represent real challenges in our markets. Norfund will therefore thoroughly and consistently assess business integrity risk at the country, project and partner levels prior to entering into any business relationship and throughout the investment cycle.

Zero-Tolerance

In Norfund's employment contracts and in legal agreements with partners, Norfund includes provisions to ensure compliance with local and international laws and good practice. Specifically, Norfund does not tolerate:

- a. Making or receiving payments of any kind meant to achieve undue advantages, including through the use of agents or consultants. This includes facilitation payments intended to secure or expedite the performance of any action to which one has legal or other entitlement.
- b. Giving or receiving gifts that could be interpreted as intending to influence business decisions.
- c. Making political contributions, i.e., to political parties or candidates.
- d. Abusing confidential or material, non-public information.
- e. Financial or economic crime, including involvement in money laundering.
- f. Illegal or deceitful recording and reporting of financial and/or tax information.
- g. Business transactions where the price for goods or services is set artificially high or low.

Transparency and Accountability

Norfund requires transparency of final ownership of our business partners. Our investment companies shall have systems in place to ensure that business integrity and corporate governance hold acceptable standards. Norfund requires regular reports from the companies in which it invests on their efforts in the area of anti-corruption and anti-money laundering, and that they report immediately in case they suspect corrupt or illegal behaviour within their business operations.

Non-Compliance

Any breach of Norfund's Business Integrity policy or Business Integrity provisions as defined in project legal agreements will be acted upon immediately by Norfund to ensure that such practices are brought to an end. Failures to satisfactorily rectify such situations will cause Norfund to work to terminate the investment. Norfund will require the filing of a complaint with the police or other appropriate investigating authorities in cases of criminal offence. Norfund shall document any problem or suspected problem related to the business integrity of Norfund's projects and Norfund's efforts to resolve them. The responsibility for following up problems or suspected problems is a line responsibility and Norfund's Managing Director is responsible for informing the Norfund Board of Directors.

Implementation and Promotion

Norfund employees shall not initiate or participate in bribery, except in cases where the employee's safety or security is threatened. All cases of attempted bribery should be reported to the employee's manager and recorded.

Norfund is dedicated to actively promoting the principles of business integrity. Norfund will regularly publish the results of Norfund's efforts in this area. Norfund will develop procedures and build internal capacity in order to carry out this Policy. Norfund's requirements will be clearly communicated to all current and potential business partners. Norfund will assist its partners in improving business integrity assurance systems and performance. *Approved by Norfund Board of Directors on May 15th, 2012*